Daniele Caratelli

Personal Details

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Education

Ph.D. in Economics, Stanford University — June 2023 (Expected)

B.A. in Economics and Mathematics (Honors), University of Chicago — 2011 – 2015

References

Patrick Kehoe (Primary)
Dept. of Economics, Stanford University
pkehoe@stanford.edu

Adrien Auclert
Dept. of Economics, Stanford University
aauclert@stanford.edu

Robert Hall
Dept. of Economics, Stanford University
rehall@stanford.edu

Elena Pastorino
Hoover Institution, Stanford University
epastori@stanford.edu

Research Fields

Macroeconomics, Monetary Economics

Working Papers

"Labor Market Recoveries Across the Wealth Distribution"

Job Market Paper

This paper studies why, after the onset of recessions, low-wealth workers experience larger falls and slower recoveries in earnings than high-wealth workers. I show that differences in job-switching and job-losing rates play an important role in explaining these dynamics. To do so, I build a quantitative search and matching model with incomplete markets and on-the-job search in which wages are determined by an alternating offer bargaining protocol that, unlike traditional settings, accommodates risk-averse workers and wealth accumulation. The wages of job-switchers result either from Bertrand-competition between firms or, if the poaching firm is sufficiently more productive than the incumbent, from one-on-one negotiation between poacher and worker. This model includes an ingredient I document empirically: over the first fifteen months following a job switch workers experience a 6.4 percentage point increase in their job-loss probability. Through this model I conclude that cyclical differences in job-switching and job-losing by wealth, which the model can endogenously reproduce, explain 40 percent of the gap in earnings recovery between low- and high-wealth workers following the Great Recession. I then apply the model to study the post-Pandemic behavior of job-switching and show that fiscal stimulus alleviated its fall and sustained its recovery.

"Optimal Monetary Policy with Menu Costs is Nominal Wage Targeting" with Basil Halperin

We show analytically that ensuring stable nominal wage growth is optimal monetary policy in a multisector economy with menu costs. This nominal wage targeting contrasts with inflation targeting, the optimal policy prescribed by the textbook New Keynesian model in which firms are permitted to adjust their prices only randomly and exogenously. The intuition is that stabilizing nominal wages minimizes the number of firms which need to adjust their prices, and therefore minimizes the resources wasted on menu costs. We show that the analytical result that nominal wage targeting is superior to inflation targeting carries over in a rich quantitative model.

Work in Progress

"Heterogeneous Currency Union: MPCs and Tradable Shares " with Riccardo Masolo

Published Papers

"Macroeconomic Nowcasting and Forecasting with Big Data" with Brandyn Bok, Domenico Giannone, Argia Sbordone, and Andrea Tambalotti Jackson, ***Annual Review of Economics***, Vol. 10:615-643, 2018

Relevant Positions

Bank of England Aug 2020 – Aug 2022
Academic Visitor
40 hours per week. I collaborated on ongoing research projects regarding the spillovers of monetary policy with Riccardo Masolo.

Stanford University Sep 2021 – Jun 2022
Research Assistant to Patrick Kehoe and Elena Pastorino
40 hours per week. I assisted on a research project on the effect of minimum wage on worker welfare with data analysis and literature reviews.

Bank of England Jun 2020 – Aug 2020
Ph.D. Intern
This was a non-paid opportunity that allowed me to continue collaboration with Riccardo Masolo.

Stanford University Jun 2018 – Dec 2019
Research Assistant to Adrien Auclert
40 hours per week. I assisted on a research project regarding the macroeconomic effects of debt-relief.

Federal Reserve Bank of New York Aug 2015 – Aug 2017
Research Analyst, Macro and Monetary Division
40 hours per week. I assisted Argia Sbordone and Giacomo Giannone on policy and research projects. The policy topics I worked on related to forecasting GDP with machine learning techniques and evaluating the effects of adverse scenarios on bank balance sheets (stress testing).

Federal Reserve Bank of New York Jun 2014 – Aug 2015
Summer Intern, Macro and Monetary Division
40 hours per week. I assisted Marco Del Negro in transferring the NYFed's DSGE model into Dynare.

Teaching Experience

Department of Economics, Stanford University

TA for Luigi Bocola, Econ 168 (International Finance)	Spring 2021
TA for Scott McKeon, Econ 102A (Introduction to Statistical Methods)	Fall, Winter 2020

Awards & Fellowships

Best Job Market Paper Award, EEA and UniCredit Foundation	2022
E.S. Shaw and B.F. Haley Fellowship for Economics, SIEPR	2022 – 2023
Dissertation Fellowship, Federal Reserve Bank of St. Louis	Summer 2021
Doctoral Grant, Washington Center for Equitable Growth	2021
David S. Hu Award, The University of Chicago	2015
Becker Friedman Institute Award for Academic Achievement, The University of Chicago	2015

Refereeing

Journal of Business & Economic Statistics; *International Journal of Forecasting*

Invited Talks

"Labor, Firms, and Macro" Job Market Workshop (University of Pennsylvania) 2022

External Presentations

St. Louis Fed, Dartmouth College, Bank of England 2021

Pre-academic Work

"Opening the Toolbox: The Nowcasting Code on GitHub", ***Liberty Street Economics***

"Just Released: Introducing the New York Fed Staff Nowcast", ***Liberty Street Economics***

Other

Programming: Julia, Python, Matlab, and Stata
Languages: Italian (native) and English (native)
Citizenship: USA, Italy